

Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	453.80	0.00	0.00	453.80	0.00	0.00	453.80	453.80
Personal Services	18,794,817	2,284,231	735,326	21,814,374	2,360,078	1,640,108	22,795,003	44,609,377
Operating Expenses	5,369,298	487,786	92,980	5,950,064	553,532	66,980	5,989,810	11,939,874
Equipment	44,506	0	0	44,506	0	0	44,506	89,012
Capital Outlay	53,007	0	0	53,007	0	0	53,007	106,014
Grants	18,836,204	122,250	0	18,958,454	122,250	0	18,958,454	37,916,908
Benefits & Claims	155,391,482	18,635,663	7,036,745	181,063,890	28,515,985	3,496,745	187,404,212	368,468,102
Debt Service	0	0	0	0	0	0	0	0
Total Costs	\$198,489,314	\$21,529,930	\$7,865,051	\$227,884,295	\$31,551,845	\$5,203,833	\$235,244,992	\$463,129,287
General Fund	26,272,234	3,257,095	1,523,608	31,052,937	4,037,108	941,122	31,250,464	62,303,401
State/Other Special	997,726	298,422	100,048	1,396,196	298,700	104,611	1,401,037	2,797,233
Federal Special	171,219,354	17,974,413	6,241,395	195,435,162	27,216,037	4,158,100	202,593,491	398,028,653
Total Funds	\$198,489,314	\$21,529,930	\$7,865,051	\$227,884,295	\$31,551,845	\$5,203,833	\$235,244,992	\$463,129,287

Program Description

The Human and Community Services Division (HCSD) consist of four bureaus, each managing a group of programs. The Public Assistance Bureau administers Montana's Temporary Assistance to Needy Families (TANF) program and provides eligibility services for Medicaid and food stamps. The Early Childhood Services Bureau manages child care subsidy programs, contracts providing child care eligibility, provider recruitment, and technical assistance; administers the Child and Adult Care Food Program (CACFP) reimbursement to child care providers for the cost of meals served to eligible children and adults; and administers the head start state collaboration grant. The Intergovernmental Human Services Bureau (IHSB) administers a number of programs providing housing services, weatherization services, and energy and commodity assistance including: the community services block grant, Low-Income Energy Assistance Program (LIEAP), some Housing and Urban Development (HUD) grants, and United States Department of Agriculture (USDA) food distribution and commodities grants. This bureau also maintains a warehouse facility. The division Fiscal Bureau coordinates implementation and monitoring of the division's budget.

Statutory authority is in Title 53, Chapter 2, MCA, and 45 CFR.

The Program by Function

Figure 12 on page B-22 summarizes funding for the division by major function. Public assistance related programs including eligibility determination, TANF, and food stamps account for 73.3 percent of the funding provided to the division. Child care related services, including child care subsidy programs and the Child and Adult Care Food Programs (CACFP), account for about 16.3 percent of the division's funding, while energy and commodity assistance programs account for the remaining 10.3 percent.

Figure 12
Human and Community Services Division
Summary of Major Program Functions with Funding

Function	Fiscal 2006 - Base Budget				Fiscal 2008 - Requested				Fiscal 2009 - Requested				
	General Fund	State Special	Federal	Total Funds	General Fund	State Special	Federal	Total Funds	General Fund	State Special	Federal	Total Funds	Percent of Total
Public Assistance:													
Administration - Division	\$212,194	\$538	\$304,119	\$516,851	\$538,403	\$603	\$716,853	\$1,255,859	\$987,404	\$607	\$1,173,559	\$2,161,570	0.9%
Administration - Public Assistance	819,005	2,871	918,588	1,740,464	816,142	2,871	727,822	1,546,835	817,296	2,871	731,467	1,551,634	0.7%
Administration - County	8,252,569	108,138	8,977,070	17,337,777	9,611,018	110,000	10,039,476	19,760,494	9,669,355	110,000	10,101,643	19,880,998	8.5%
TANF Cash Assistance	358,729	94,725	18,622,395	19,075,849	358,729	94,725	21,135,356	21,588,810	358,729	94,725	21,135,356	21,588,810	9.2%
TANF Employment, Training, Work	9,381,518	0	2,653,235	12,034,753	9,513,164	0	2,653,235	12,166,399	9,515,708	0	2,653,235	12,168,943	5.2%
TANF Supportive Services	843,326	0	0	843,326	843,326	0	683,784	1,527,110	843,326	0	683,784	1,527,110	0.6%
Children's Asset Test	0	0	0	0	0	39,944	39,944	79,888	0	40,202	40,202	80,404	0.0%
HIFA Insurance Program	0	0	0	0	0	18,992	18,991	37,983	0	19,011	19,011	38,022	0.0%
Refugee Programs	0	0	136,288	136,288	0	0	136,288	136,288	0	0	136,288	136,288	0.1%
Food Stamp Training & Support Serv	543,757	0	1,646,647	2,190,404	569,361	0	1,672,033	2,241,394	574,062	0	1,670,655	2,244,717	1.0%
Food Stamp Benefits	0	0	89,998,309	89,998,309	0	0	101,808,718	101,808,718	0	0	110,796,690	110,796,690	47.1%
TANF Phase IIR	148,930	0	199,282	348,212	148,930	0	199,282	348,212	148,930	0	199,282	348,212	0.1%
Subtotal Public Assistance	20,560,028	206,272	123,455,933	144,222,233	22,399,073	267,135	139,831,782	162,497,990	22,914,810	267,416	149,341,172	172,523,398	73.3%
Percent of Total	14.3%	0.1%	85.6%	100.0%	13.8%	0.2%	86.1%	100.0%	13.3%	0.2%	86.6%	100.0%	
Energy and Commodity Assistance:													
Administration - Energy and Commodities	19,720	0	4,515,307	4,535,027	19,663	0	4,797,120	4,816,783	19,663	0	4,803,974	4,823,637	2.1%
Low Income Energy Assistance Gen. Fund	0	0	0	0	1,000,000	0	0	1,000,000	0	0	0	0	0.0%
Energy Ombudsman	0	0	0	0	300,000	0	0	300,000	300,000	0	0	300,000	0.1%
Benefits - Energy and Commodities	35,952	58,853	16,362,723	16,457,528	36,000	296,477	21,424,853	21,757,330	36,000	296,477	18,858,866	19,191,343	8.2%
Subtotal Energy and Commodity	55,672	58,853	20,878,030	20,992,555	1,355,663	296,477	26,221,973	27,874,113	355,663	296,477	23,662,840	24,314,980	10.3%
Percent of Total	0.3%	0.3%	99.5%	100.0%	4.9%	1.1%	94.1%	100.0%	1.5%	1.2%	97.3%	100.0%	
Early Childhood Services:													
Administration - Child Care	20,000	0	426,763	446,763	20,000	0	453,164	473,164	20,000	0	454,233	474,233	0.2%
Childcare Matching	3,983,297	0	4,162,803	8,146,100	5,724,947	0	4,162,803	9,887,750	6,411,297	0	4,162,803	10,574,100	4.5%
Childcare Mandatory	1,313,649	0	2,086,198	3,399,847	1,313,649	0	2,086,198	3,399,847	1,313,649	0	2,086,198	3,399,847	1.4%
Childcare Discretionary	0	0	8,703,480	8,703,480	0	0	10,730,126	10,730,126	0	0	10,730,208	10,730,208	4.6%
Childcare Match Prevention & Stabilization	300,711	732,601	0	1,033,312	200,728	832,584	0	1,033,312	196,168	837,144	0	1,033,312	0.4%
Quality - Child Care	0	0	2,076,087	2,076,087	0	0	2,076,191	2,076,191	0	0	2,076,236	2,076,236	0.9%
Head Start	14,932	0	112,704	127,636	14,932	0	112,436	127,368	14,932	0	112,441	127,373	0.1%
Child and Adult Care Food Program	23,945	0	9,317,356	9,341,301	23,945	0	9,760,489	9,784,434	23,945	0	9,967,360	9,991,305	4.2%
Subtotal Early Childhood Services	\$5,656,534	\$732,601	\$26,885,391	\$33,274,526	\$7,298,201	\$832,584	\$29,381,407	\$37,512,192	\$7,979,991	\$837,144	\$29,589,479	\$38,406,614	16.3%
Percent of Total	17.0%	2.2%	80.8%	100.0%	19.5%	2.2%	78.3%	100.0%	20.8%	2.2%	77.0%	100.0%	
Total Human and Community Services Div.	\$26,272,234	\$997,726	\$171,219,354	\$198,489,314	\$31,052,937	\$1,396,196	\$195,435,162	\$227,884,295	\$31,250,464	\$1,401,037	\$202,593,491	\$235,244,992	100.0%
Percent of Total	13.2%	0.5%	86.3%	100.0%	13.6%	0.6%	85.8%	100.0%	13.3%	0.6%	86.1%	100.0%	

Program Highlights

Human and Community Services Division Major Budget Highlights	
♦	Total funding for the division increases about 7.5 percent when the 2009 and 2007 biennia are compared comprising an increase in general fund support of about 23 percent, state special revenue of 36 percent, and federal funds of 5 percent
The legislature:	
♦	Approved general fund increases of \$11.6 million primarily to fund: <ul style="list-style-type: none"> • Statewide and present law adjustments - \$4.8 million; • Child care - \$4.2 million • Energy related and ombudsman programs - \$1.6 million; and • The 2009 biennium pay and retirement plans in HB 13, HB 63 and HB 131 - \$1.0 million
♦	Decreased the general fund by \$1.4 million to eliminate the Individual Development Account funding and reduce the \$2.0 million low-income energy request to \$1.0 million
♦	Increased state special revenue \$0.7 million for: <ul style="list-style-type: none"> • A funding switch from the general fund to the preservation and stabilization fund for child care - \$0.2 million • Additional energy assistance from the universal systems benefits fund \$0.5 million
♦	Increased federal revenue authority for: <ul style="list-style-type: none"> • Food stamp benefits - \$33.0 million • A transfer from the federal TANF block grant to the child care development fund for child care - \$5.4 million • Increasing the TANF benefits calculations from 33 percent of the 2005 federal poverty level to the 2007 level - \$2.8 million, as well as to support the Blackfeet Tribe TANF Plan restructuring - \$2.2 million • Spending the low-income energy/conservation accounts - \$1.6 million, which included passing legislation to allow use of the funds • A language appropriation of \$1.0 million to move TANF funds from an Accelerated Employment to Work Training Programs

Program Narrative

Figure 13 is a biennial comparison of the 2009 total legislative budget for HCSD to the total 2007 legislative budget, and shows an increase of \$32.5 million in total funds. Primary increases are discussed in the following sections. A general overview is presented here.

The general fund increases are due to child care, TANF and low-income energy related activities, statewide and present law adjustments, and the pay and retirement plans approved by the legislature in HB 13, HB 63, and HB 131. State special revenue increases are due to a funding switch for child care activities and additional revenue from the universal systems benefits fund for energy. Federal revenue increases are related to food stamp benefits, low-income energy assistance,

Figure 13 2007 Biennium Compared to 2009 Biennium Human and Community Services Division					
Budget Item/Fund	2007 Biennium	2009 Biennium	Percent of Total	Change	Percent Incr/Decr
FTE	453.80	453.80		-	
Personal Services	\$38,784,412	\$44,609,377	9.6%	\$5,824,965	15.0%
Operating	10,975,799	11,939,874	2.6%	964,075	8.8%
Equipment	103,874	89,012	0.0%	(14,862)	-14.3%
Capital Outlay	53,007	106,014	0.0%	53,007	100.0%
Grants	35,912,959	37,916,908	8.2%	2,003,949	5.6%
Benefits/Claims	344,803,030	368,468,102	79.6%	23,665,072	6.9%
Debt Service	552	0	0.0%	(552)	-100.0%
Total Costs	\$430,633,633	\$463,129,287	100.0%	\$32,495,654	7.5%
General Fund	\$50,689,251	\$62,303,401	13.5%	\$11,614,150	22.9%
State Special	2,058,684	2,797,233	0.6%	738,549	35.9%
Federal Funds	377,885,698	398,028,653	85.9%	20,142,955	5.3%
Total Funds	\$430,633,633	\$463,129,287	100.0%	\$32,495,654	7.5%

child care, and TANF related programs. However, there is an anomaly in the federal funding increase. Figure 12 shows a \$20.0 million increase in federal funds, but the legislature actually appropriated \$32.0 million for just the Food Stamp Program in the 2009 biennium. The anomaly exists because the FY 2007 legislative appropriation was based upon an executive budget of nearly \$55.0 million comprising \$22.0 million in FY2006 and \$33 million for FY 2007. The authority was not needed and the executive requested a total of nearly \$33.0 million for the 2009 biennium - \$11.8 million in FY 2008 and \$20.7 million in FY 2009. The large, unused portion of the FY 2007 appropriation remains in the 2007 biennial total in Figure12, which skews the comparison to the appropriation approved by the legislature for the 2009 biennium.

Legislative Changes to the Executive Budget

Legislative changes to the original executive budget presented in HB 2 include an increase in total funds of over \$2.3 million for the legislatively approved 2009 biennial pay plan that partially offsets reductions of \$3.1 million:

1. \$1.7 million in federal TANF block grant funds to adjust to revised, lower estimates in the TANF caseload for benefit payments;
2. \$1.0 million in general fund for low-income energy assistance rather than the executive's \$2.0 million; and
3. \$0.4 million in general fund to eliminate the request for individual development accounts.

Summary of Benefits and Grants

As shown in Figure 14 on page B-25, the summary of benefits and grants, the federally funded food stamp benefits comprise nearly 60 percent of the division's benefit and claims activity with other energy support comprising about 10 percent, and TANF cash assistance and various child care support activities comprising about 13 and 17 percent, respectively. Grants are expended over the biennium primarily for TANF employment and training (51 percent), food stamps, energy, and commodity projects (18 percent), and child care activities (31 percent).

Figure 14
Human and Community Services Division
Summary of Benefit and Grant Costs and Funding

Program	Fiscal 2006 Base				Fiscal 2008 Request				Fiscal 2009 Request				Percent Total
	General Fund	State Spec. Rev	Federal Funds	Total Funds	General Fund	State Spec. Rev	Federal Funds	Total Funds	General Fund	State Spec. Rev	Federal Funds	Total Funds	
Benefits & Claims													
TANF Cash Assistance	\$358,729	\$94,725	\$18,622,395	\$19,075,849	\$358,729	\$94,725	\$21,135,356	\$21,588,810	\$358,729	\$94,725	\$21,135,356	\$21,588,810	11.5%
TANF Employment, Training	1,450,579	0	410,246	1,860,825	1,455,018	0	405,807	1,860,825	1,455,103	0	405,722	1,860,825	1.0%
TANF Supportive Services	843,326	0	0	843,326	843,422	0	683,784	1,527,206	843,326	0	683,880	1,527,206	0.8%
Food Stamp Training/Support	21,820	0	66,076	87,896	22,327	0	65,569	87,896	22,478	0	65,418	87,896	0.0%
Food Stamps	0	0	89,998,309	89,998,309	0	0	101,808,718	101,808,718	0	0	110,796,690	110,796,690	59.1%
FAIM Phase IIR	143,391	0	191,871	335,262	143,391	0	191,871	335,262	143,391	0	191,871	335,262	0.2%
Energy and Commodities Adm.	3,402	0	779,041	782,443	3,316	0	809,127	812,443	0	0	812,443	812,443	0.4%
Energy & Commodities Benefits	34,836	57,026	15,854,681	15,946,542	35,101	289,076	20,890,047	21,214,225	35,030	288,488	18,350,707	18,674,225	10.0%
Energy Ombudsman	0	0	0	0	300,000	0	0	300,000	300,000	0	0	300,000	0.2%
LIEAP General Fund Benefits	0	0	0	0	1,000,000	0	0	1,000,000	0	0	0	0	0.0%
Child and Adult Food Program	20,811	0	8,098,005	8,118,816	20,848	0	8,497,968	8,518,816	20,910	0	8,703,906	8,724,816	4.7%
Childcare Matching	3,965,199	0	4,143,890	8,109,089	5,703,518	0	4,147,221	9,850,739	6,388,856	0	4,148,233	10,537,089	5.6%
Childcare Mandatory	1,313,649	0	2,086,198	3,399,847	1,313,649	0	2,086,198	3,399,847	1,313,649	0	2,086,198	3,399,847	1.8%
Childcare Discretionary	0	0	5,454,813	5,454,813	0	0	7,380,734	7,380,734	0	0	7,380,734	7,380,734	3.9%
Childcare Quality	0	0	345,057	345,057	0	0	345,057	345,057	0	0	345,057	345,057	0.2%
Childcare Prevent & Stabilization	300,711	732,601	0	1,033,312	200,728	832,584	0	1,033,312	196,168	837,144	0	1,033,312	0.6%
Total Benefits & Claims	<u>\$8,456,454</u>	<u>\$884,352</u>	<u>\$146,050,580</u>	<u>\$155,391,386</u>	<u>\$11,400,048</u>	<u>\$1,216,385</u>	<u>\$168,447,456</u>	<u>\$181,063,890</u>	<u>\$11,077,641</u>	<u>\$1,220,357</u>	<u>\$175,106,214</u>	<u>\$187,404,212</u>	<u>100.0%</u>
check				66,595,184				27,549,823				35,679,851	
Grants													
TANF Employment & Training	7,490,519	-	2,118,432	9,608,951	7,513,441	-	2,095,510	9,608,951	7,513,880	-	2,095,071	9,608,951	50.7%
Food Stamp Training/Support	340,131	-	1,030,009	1,370,140	348,044	-	1,022,096	1,370,140	350,398	-	1,019,742	1,370,140	7.2%
Energy and Commodities Adm.	8,208	-	1,879,429	1,887,637	7,847	-	1,914,790	1,922,637	-	-	1,922,637	1,922,637	10.1%
Energy & Commodities Benefits	197	323	89,813	90,333	161	1,326	95,846	97,333	183	1,504	95,647	97,333	0.5%
Refugee	-	-	136,288	136,288	-	-	136,288	136,288	-	-	136,288	136,288	0.7%
Childcare Discretionary	-	-	3,091,880	3,091,880	-	-	3,172,130	3,172,130	-	-	3,172,130	3,172,130	16.7%
Childcare Quality	-	-	1,709,376	1,709,376	-	-	1,709,376	1,709,376	-	-	1,709,376	1,709,376	9.0%
Head Start	-	-	112,705	112,705	-	-	112,705	112,705	-	-	112,705	112,705	0.6%
Child and Adult Food Program	2,125	-	826,769	828,894	2,029	-	826,865	828,894	1,987	-	826,907	828,894	4.4%
Total Grants	<u>\$2,125</u>	<u>\$323</u>	<u>\$10,994,701</u>	<u>\$18,836,204</u>	<u>\$7,871,522</u>	<u>\$1,326</u>	<u>\$11,085,605</u>	<u>\$18,958,454</u>	<u>\$7,866,447</u>	<u>\$1,504</u>	<u>\$11,090,503</u>	<u>\$18,958,454</u>	<u>100.0%</u>

Legislative Discussion

The legislature addressed the HCSD budget in the context of the division's presentation of its goals and measurable objectives with a focus on: 1) the deficit position of the federal TANF block grant, 2) the potential impact of the federal Deficit Reduction Act of 2005 on the TANF program; 3) enhancing the Child Care Program; and 4) the low-income energy and weatherization assistance and efforts in housing.

Temporary Assistance for Needy Families (TANF)

One of the largest programs administered by the division is the TANF program. TANF funds are used to support a number of programs and spending initiatives that are consistent with federal guidelines on the use of these funds.

The legislature funded the TANF programs at the same level as requested by the Governor. However, the legislature:

- Reassigned \$504,436 in federal funds from the TANF block grant category of Accelerated Employment Services to the contracted Work Training Programs and related anti-poverty efforts that the legislature believed would ultimately provide stronger services throughout the state
- Asked the division to expand their goals with measurable objectives to address: 1) the management of the potentially deficit TANF block grant, and 2) the tracking and reporting on the changing federal Deficit Reduction Act (DRA) regulations that could negatively impact the TANF program by the close of the 2009 biennium

Figure 15 shows the status of the TANF block grant at the close of the 2007 session with items in bold text representing legislative action.

Figure 15
Summary of Temporary Assistance for Needy Families (TANF) Block Grant
Fiscal 2006 Through 2011
Items in bold print reflect appropriations contained in HB 2.

State Fiscal Year	Actual SFY 2006	Dept. Est. SFY 2007	Requested SFY 2008	Requested SFY 2009	Projected SFY 2010	Projected SFY 2011
Actual/Projected Balance of Grant	\$29,916,399	\$34,181,963	\$30,178,473	\$23,140,645	\$15,384,950	\$7,647,382
Grant Amount	<u>40,669,944</u>	<u>39,171,817</u>	<u>39,171,817</u>	<u>38,039,116</u>	<u>38,039,116</u>	<u>38,039,116</u>
Beginning Balance	\$70,586,343	\$73,353,780	\$69,350,290	\$61,179,761	\$53,424,066	\$45,686,498
Expenditures:						
Cash Assistance including NP 20020	\$17,275,019	\$15,682,198	\$19,168,992	\$19,168,992	\$19,168,992	\$19,168,992
Benefits with Child Support Passthrough	<u>615,795</u>	<u>615,795</u>	<u>615,795</u>	<u>615,795</u>	<u>615,795</u>	<u>615,795</u>
Total Benefits	\$17,890,814	\$16,297,993	\$19,784,787	\$19,784,787	\$19,784,787	\$19,784,787
Total Cost Allocation Expenditures						
Total cost allocation	\$6,231,097	\$5,936,050	\$6,107,232	\$6,292,399	\$6,474,271	\$6,661,598
Other TANF uses:						
Blackfeet benefit - NP 20023	0	513,278	684,370	684,370	684,370	684,370
Blackfeet Tribal New contract - NP 20023		225,400	450,800	450,800	450,800	450,800
Direct Admin	\$11,599	\$0	\$0	\$0	\$0	\$0
TANF System in statewide IT proposal	0	0	2,600,000	2,200,000	2,000,000	1,800,000
CHIMES COSTS	0	1,900,000	0	0	0	0
SFY 2006 High-Performance Bonus Expenditure:	13,479	2,063,221	200,000	0	0	0
Work Operator and OPA Improvements	114,569	385,431	0	0	0	0
Child Care/Caretaker Relatives NP 20006	0	0	683,784	683,784	683,784	683,784
Adult Basic Education	125,000	125,000	0	0	0	0
Food Banks	100,000	100,000	100,000	100,000	100,000	100,000
Work Participation and Supports	940,036	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000
Achievement Awards (WSP)	688,908	835,000	835,000	835,000	835,000	835,000
Accelerated Employ. Serv - Language Change	301,208	534,698	504,436	504,436	504,436	504,436
Low-Income Housing	199,282	0	0	0	0	0
Emerg Assist & Prg 03 Foster Care Benefits	<u>2,353,874</u>	<u>2,360,000</u>	<u>2,360,000</u>	<u>2,360,000</u>	<u>2,360,000</u>	<u>2,360,000</u>
Total other TANF uses	\$4,847,955	\$10,892,028	\$10,268,390	\$9,668,390	\$9,468,390	\$9,268,390
TOTAL EXPENDITURES	\$28,969,866	\$33,126,071	\$36,160,409	\$35,745,576	\$35,727,448	\$35,714,775
Transfers:						
Child Care Transfers - includes DP 20012	\$5,436,288	\$8,051,010	\$8,051,010	\$8,051,010	\$8,051,010	\$8,051,010
Title XX / Child and Family Services	1,998,226	1,998,226	1,998,226	1,998,226	1,998,226	1,998,226
	\$7,434,514	\$10,049,236	\$10,049,236	\$10,049,236	\$10,049,236	\$10,049,236
Expenditures and Transfers	\$36,404,380	\$43,175,307	\$46,209,645	\$45,794,812	\$45,776,684	\$45,764,011
Ending Balance	\$34,181,963	\$30,178,473	\$23,140,645	\$15,384,950	\$7,647,382	(\$77,513)

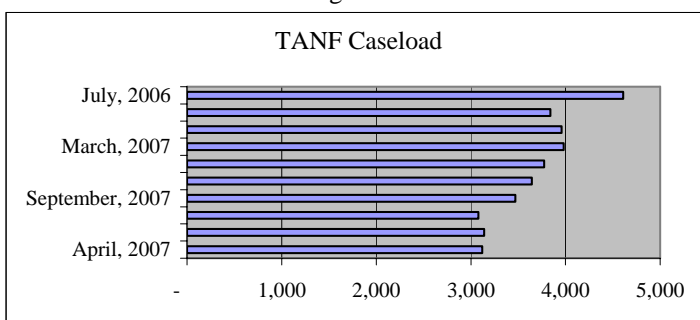
The initial executive budget projected that the TANF block grant would be in a deficit position of \$3.0 million by the end of FY 2011. By January 2007 the projected deficit had decreased to \$1.1 million as the TANF caseload decreased. The division reduced projections for cash assistance payments in both FY 2008 and FY 2009 and lowered the executive's request (DP 20020) from the original \$4.5 million to about \$2.8 million. TANF caseloads continued to decrease and, as shown above in Figure 14, the projected deficit at the end of the session was under \$100,000. The legislature did not make additional reductions to the request for cash assistance because unused cash assistance authority remains in the TANF fund for future use and to allow for possible changes to the Montana economy that could reduce employment and increase the TANF caseload.

Figure 16 shows the decrease in TANF case loads from 4,610 in June of 2006 to 3,140 by February of 2007. The figures in the chart include the cases acquired in the restructuring of the Blackfeet Tribal TANF Plan that is discussed in the following paragraphs.

Restructuring of the Blackfeet Tribal TANF Plan

The legislature approved \$2.3 million federal authority for the 2009 biennium to support the restructuring of the Blackfeet Tribal TANF plan and provide necessary authority in general fund/MOE and TANF federal funds.

Figure 16



The Blackfeet Tribe renegotiation re-defines the population to be served by the Blackfeet Tribe as “eligible families that include all enrolled Blackfeet members in the assistance unit.” The state TANF program assumes non-enrolled clients. The division estimates a caseload of 293 cases at an estimated annual cost of \$1.5 million to the TANF block grant based upon an estimated benefit level of \$430 per month as calculated at 33 percent of the 2007 federal poverty level, the rate increase indicated in DP 20020. The funding also allows the state to contract back with the Blackfeet tribe for the TANF work readiness component (WoRC) contract programs. Of the 293 new cases, it is estimated that 196 cases would participate in work activities. The estimated annual cost of the WoRC contract for 196 families would be \$450,800. Under the modified plan the Blackfeet would not retain the associated general fund/MOE. The department retains \$0.8 million general fund in the base, resulting in a request of \$1.1 million each year rather than the total \$1.9 million.

The Federal Deficit Reduction Act of 2005

Although the basics of the TANF block grant funding and MOE expenditures remain the same, the DRA imposed changes in the TANF definitions, most of which relate to the method states use to calculate successful outcomes for moving clients into the work environment (referred to as work participation rates), and the penalties to be imposed on states that are unable to meet the new expectations.

Work Participation Penalties

If a state fails to meet the work participation rates, it is subject to a penalty equal to up to a 5 percent reduction of its federal grant the first year, and an additional 2 percent each successive year the rate is not met, up to a total of 21 percent of the block grant. In addition, the state would also be required to: (1) backfill its federal penalty with state funds; and (2) increase its maintenance-of-effort (MOE) spending by 5 percent. For Montana, a 5 percent penalty to a \$38 million block grant would result in a penalty of \$1.9 million general fund with another \$1.9 million of general fund required to backfill the penalty amount for a total impact on the general fund of \$3.8 million. An additional 2 percent penalty would be about \$760,000 each year or \$1.5 million total general fund. The penalty requiring Montana to increase MOE dollars from its current 75 percent to 80 percent would cost about \$0.8 million general fund.

The state is unlikely to be assessed a penalty before FY 2009 or be required to pay a penalty before 2010. Even though the 2009 Legislature could face the penalty dilemma, in view of the large amount of general fund at risk, legislators in this session requested that the division provide a plan to track DRA regulations, consult with state and community partners, and report changes and recommended actions to the Legislative Finance Committee.

The Child Care Program

The legislature approved federal funding of: 1) \$1.0 million for the Child and Adult Food Care Program; 2) \$4 million to transfer from the TANF block grant to child care; and 3) \$1.4 million in federal TANF block grant funds to support child care for working relatives. The legislature also approved general fund support of \$4.2 million in support of child care rates, Federal Poverty Index adjustments, and caseload increases.

The legislature also addressed caretaker relative issues in SB 31, providing for continued custody of a child by the child's caretaker relative following voluntary surrender of the child by a parent of the child under circumstances indicating abandonment.

Child care services are administered by the division with support from community offices throughout the state. Legislative appropriations support subsidies for child care to low-income families with some funds used in support of parenting education and family strengthening activities. Montana currently provides services to families at or below 150 percent of the federal poverty level (FPL) and employs a sliding fee scale as required by federal law to determine the parent's share of the costs. As the family income approaches 50 percent of the FPL their share of the costs increases. Once the family income exceeds the 150 percent of the FPL, the family is ineligible for the program

Figure 17 shows the history of Child Care Funding

Figure 17 Agency-wide Summary of Child Care Funding by Funding Stream Fiscal 2004 Through 2009						
Description	Actual SFY 2004	Actual SFY 2005	Actual SFY2006	Appropriated SFY 2007	Appropriated SFY 2008	Appropriated SFY 2009
General Fund:						
Maintenance of Effort	\$1,313,990	\$1,313,990	\$1,313,649	\$1,313,990	\$1,313,649	\$1,313,649
Matching - Required	1,645,426	637,872	1,583,297	1,649,639	1,916,057	1,976,119
Matching Restricted Discretionary			2,400,000	0	2,400,000	2,400,000
Matching			0	32,941	1,408,890	2,035,178
CCDF Administrative (HCSD)			20,000	20,000	20,000	20,000
Prevent. & Stabilization			300,711	299,352	200,728	200,728
Other (non HCSD)	93,337	93,337	93,337	93,337	93,337	93,337
Total General Fund	<u>3,052,753</u>	<u>2,045,199</u>	<u>5,710,994</u>	<u>3,409,259</u>	<u>7,352,661</u>	<u>8,039,011</u>
Annual Percent Change		-33.0%	179.2%	-40.3%	115.7%	9.3%
Non General Fund Match:						
State Spec. Revenue (PSF)	557,000	1,443,000	732,601	731,267	832,584	832,584
Other	11,250					
Federal Funds:						
CCDF Administrative (non HCSD)	687,364	687,364	156,253	149,987	146,817	147,005
CCDF Administrative (HCSD)	558,450	637,144	426,757	440,300	453,368	454,444
CCDF Mandatory	2,086,199	3,086,400	2,086,198	2,087,242	2,086,198	2,086,198
CCDF Match	5,241,053	6,196,101	4,162,803	4,162,803	4,162,803	4,162,803
CCDF Discretionary (non HCSD)	567,068	568,000	534,199	490,789	540,069	540,069
CCDF Discretionary	8,826,112	13,556,317	10,779,567	15,816,272	12,806,362	12,806,444
Total Federal Funds	<u>17,966,246</u>	<u>24,731,326</u>	<u>18,145,777</u>	<u>23,147,393</u>	<u>20,195,617</u>	<u>20,196,963</u>
Total Expenditures	<u>\$21,587,249</u>	<u>\$28,219,525</u>	<u>\$24,589,372</u>	<u>\$27,287,919</u>	<u>\$28,380,862</u>	<u>\$29,068,558</u>
Percent Change		30.7%	-12.9%	11.0%	4.0%	2.4%

Low Income Energy and Weatherization Programs

Low-income Energy Assistance (LIEAP) benefit payments cover part of the household's total heating costs for the winter, and have historically averaged from under \$375 to a high of \$635 for the 2006 heating season. Weatherization programs focus on education and support for weatherization needs to a home. Services range from consultation to installing insulation, weather stripping, and winterization of doors and windows. The legislature also continued funding for energy ombudsman work throughout the state.

The Legislature:

1. Approved the executive request to spend federal revenue of \$1.6 million from the Exxon energy conservation and the energy conservation stripper accounts and passed HB 41 to change 90-4-215, MCA to allow the funds to be spent;
2. Appropriated \$0.6 million general fund to support energy assistance and weatherization projects with the energy ombudsman support; and
3. Approved a present law adjustment of \$5.8 million over the biennium comprising \$0.4 million in state special revenue from the state special universal system benefits fund, which comes from consumer charges on utility bills and is passed on to energy assistance and weatherization activities, and \$5.4 million in federal revenue to support anticipated increases in federal grant funds; and
4. Reduced the \$2.0 million executive request for low-income energy assistance by \$1.0 million in general fund

Additionally, the legislature expanded the Governor's energy emergency power concerning the price of energy through SB 60, which allows the Governor to use emergency funds in events where the price of energy results in curtailment of essential services and is a threat to the health or safety of the segments of the population who are most in need due to their economic, social, or medical circumstances.

The following Figure 18 shows legislative support of low-income energy and weatherization programs and the historic high for federal support that Montana received in FY 2006. There is further discussion in the present law and new proposal section of this write-up.

Figure 18

Low Income Energy Assistance and Weatherization Funding Based Upon the State Fiscal Years
 Bold Figures Include New Proposals Approved by the Legislature

BOLD FIGURES INCLUDE NEW PROPOSALS APPROVED BY THE LEGISLATURE							Appropriation	Appropriated	=====
Fund		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	Energy / Benefit Assistance								
02974	Univ. Low Income Energy Asst.	\$148,095	\$4,456	\$22,249	\$55,622	\$0	\$0	\$0	\$0
03103	Temporary Assistance for Needy Families	0	0	500,000	500,000	0	0	0	0
03199	Oil Overcharge: Stripper	0	0	0	157,829	(109,648)	0	0	0
03572	LIEAP Grant (includes DP 20005 at \$2.3 m)	8,060,294	8,806,647	8,998,226	9,684,487	14,623,482	8,837,814	9,975,447	9,975,447
03572	LIEAP Tribal - passed through state	0	0	0	0	314,455	0	0	0
Dir. Fed.	LIEAP Tribal - funding direct to tribes*	2,096,725	2,089,708	2,174,986	2,056,342	2,762,965	2,258,128	2,258,128	2,258,128
03717	Jobs & Growth Tax Relief Act	0	0	1,272,900	0	0	0	0	0
03717	Jobs & Growth Tax Relief Act - to Tribes	0	0	227,100	0	0	0	0	0
	Subtotal Energy Assistance	\$10,305,114	\$10,900,811	\$13,195,461	\$12,454,280	\$17,591,254	\$11,095,942	\$12,233,575	\$12,233,575
03199	Oil Overcharge: to MT Fd Bank for trans.	7,500	7,500	0	0	0	0	0	0
	Weatherization Programs								
02974	Univ. Low-Income Asst. (DP 20005 - \$0.2 m)	\$97,223	\$60,960	\$25,724	\$7,804	\$59,324	\$203,797	\$296,447	\$296,447
03066	Bonneville Power Admin.	290,617	257,453	225,480	350,565	574,561	427,113	442,408	442,147
03199	Oil Overcharge: Stripper	125,596	2,311	130	0	0	0	0	0
03204	Ener. Conservation: Exxon** (DP 20001)	102,320	0	0	0	0	1,000,000	550,000	550,000
03254	Oil Overcharge: Exxon	82,461	20,205	0	0	0	0	0	0
03323	Ener. Conservation: Stripper** (DP 20001)	53,941	0	0	0	0	450,000	250,000	250,000
03390	Regional Ener Asst. Challenge	610,634	427,520	0	1	0	0	0	0
03552	DOE Weatherization (DP 20005 at \$0.1 m)	1,917,205	2,569,775	2,325,326	2,567,922	2,582,935	2,568,309	2,623,349	2,623,349
03572	LIEAP Grant spent on Wx and Client Ed.	3,691,893	2,906,207	3,192,614	3,122,143	2,248,800	3,257,285	2,119,652	2,119,652
03717	Jobs & Growth Tax Relief Act	0	0	499,999	1	0	0	0	0
08125(2326)	MPC/NW Ener Free Weatherization***	<u>1,348,923</u>	<u>1,164,608</u>	<u>1,308,697</u>	<u>1,200,912</u>	<u>1,423,764</u>	<u>1,532,323</u>	<u>1,663,007</u>	<u>1,547,843</u>
	SubTotal Weatherization & Client Ed	<u>\$ 8,320,813</u>	<u>\$ 7,409,039</u>	<u>\$ 7,577,970</u>	<u>\$ 7,249,348</u>	<u>\$ 6,889,384</u>	<u>\$ 9,438,827</u>	<u>\$ 7,944,863</u>	<u>\$ 7,829,438</u>
	Subtotal Energy & Weatherization	18,633,427	18,317,350	20,773,431	19,703,628	24,480,638	20,534,769	20,178,438	20,063,013
	General Fund Support								
1100	Energy Assistance (DP 20908)	0	0	0	784,796	177,246	412,596	412,596	412,596
1100	General Fund Support - Tribal****	0	0	0	118,459	87,404	87,404	87,404	87,404
1100	Energy Ombudsman (DP 20011)	0	0	0	0	300,000	300,000	300,000	300,000
1100	General Fund Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>235,350</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Subtotal	\$0	\$0	\$0	\$903,255	\$800,000	\$800,000	\$800,000	\$800,000
	Total Energy, Weatherization and Gen. Fund	<u>\$18,633,427</u>	<u>\$18,317,350</u>	<u>\$20,773,431</u>	<u>\$20,606,883</u>	<u>\$25,280,638</u>	<u>\$21,334,769</u>	<u>\$20,978,437</u>	<u>\$20,863,013</u>
Notes:									
* LIEAP - Tribal - These funds do not flow through state government, rather these funds are provided directly to the Tribes.									
** Energy Conservation funding is provided as a biennial appropriation but shown in the table divided between the two years.									
*** Montana Power Company, Northwestern Energy - energy assistance funds are not appropriated by the state.									
**** Tribal governments received 17.4806 percent (15.14 percent prior to 2006) of the energy assistance grant funds provided to Montana. It is anticipated that this percentage of general fund provided to support low-income energy assistance will be allocated to tribes.									

Notes:

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**** Tribal governments received 17.4806 percent (15.14 percent prior to 2006) of the energy assistance grant funds provided to Montana. It is anticipated that this percentage of general fund provided to support low-income energy assistance will be allocated to tribes.

Other Anti-Poverty Projects

Food Stamps

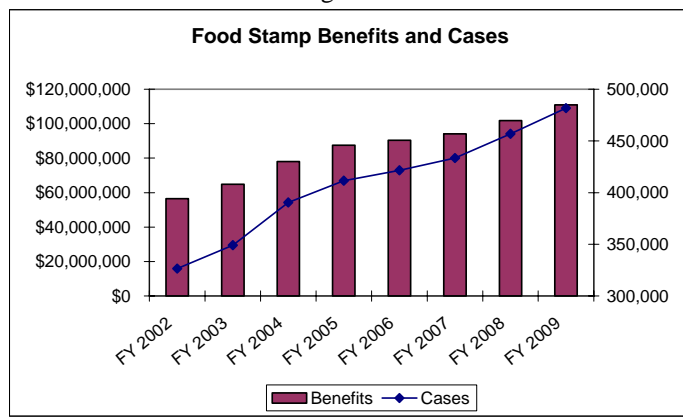
The legislature approved \$32.6 million for the Food Stamp Program comprising an increase of \$12 million federal funds in FY 2008 and \$21 million in FY 2009 to accommodate the anticipated caseload and poverty level adjustments in food stamp benefits. The Food Stamp Program is one of the largest expenditures of the state. The FY 2006 base amount for benefits was \$90 million and about 422,000 cases were served. The division estimates that the program could grow to \$101 million in FY 2008 and \$110 million in FY 2009.

The legislature also passed HB 782 allowing DPHHS, rather than the client, to repay federal claims when a department error results in the over-payment of food stamp benefits.

Goal, Objectives, and a Biennial Comparison

In addition to continued professional achievement of mandated federal goals and requirements, the legislature asked the division to add some goals and objectives to track the Deficit Reduction Act and the TANF block grant, which the division did during the session.

Figure 19



In accordance with legislative interest in the use of goals and objectives as part of the legislative decision making process and ongoing program evaluation, the legislature included language in HB 2 requesting the division to report its progress toward the goals and objectives throughout the interim to the Legislative Finance Committee and the Children, Families, Health, and Human Services Interim Committee. The goals and objectives for the division may be found at: <http://www.dphhs.mt.gov/2007leg/bfsd.pdf>

The Governor vetoed the language in HB2.

Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Human And Community Serv						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
01000 Total General Fund	\$ 26,272,234	13.2%	\$ 31,052,937	13.6%	\$ 31,250,464	13.3%
01100 General Fund	26,272,234	13.2%	31,052,937	13.6%	31,250,464	13.3%
02000 Total State Special Funds	997,726	0.5%	1,396,196	0.6%	1,401,037	0.6%
02375 6901-02 Indret Activty Prog 02	111,547	0.1%	113,474	0.0%	113,478	0.0%
02688 6901-Tanf Overpayments	94,725	0.0%	94,725	0.0%	94,725	0.0%
02698 69010-Prevention&Stabilization	732,601	0.4%	832,584	0.4%	837,144	0.4%
02772 Tobacco Hlth & Medicd Initiative	-	-	58,936	0.0%	59,213	0.0%
02974 Univ Low Income Energy Assistance	58,853	0.0%	296,477	0.1%	296,477	0.1%
03000 Total Federal Special Funds	171,219,354	86.3%	195,435,162	85.8%	202,593,491	86.1%
03066 81.042 Bpa	402,908	0.2%	442,508	0.2%	442,347	0.2%
03096 Discretionary Child Care	10,779,567	5.4%	12,809,123	5.6%	12,812,408	5.4%
03109 Tanf Benefits	21,474,912	10.8%	24,671,657	10.8%	24,671,657	10.5%
03135 Hopwa Help Plus	-	-	966,000	0.4%	-	-
03204 Energy Conservation: Exxon	-	-	1,100,000	0.5%	-	-
03236 Child Nutrition	8,850,413	4.5%	9,240,986	4.1%	9,447,449	4.0%
03250 Child Care Manditory/Moe	2,086,198	1.1%	2,086,198	0.9%	2,086,198	0.9%
03251 Child Care Admin	426,763	0.2%	481,049	0.2%	498,563	0.2%
03252 Child Care Matching	4,162,803	2.1%	4,162,803	1.8%	4,162,803	1.8%
03323 Energy Conservation: Stripper	-	-	500,000	0.2%	-	-
03382 03 Indirect Activity Prog 02	10,024,538	5.1%	11,203,877	4.9%	11,634,473	4.9%
03467 6901-Homeless Mgmt Info Systm	-	-	66,980	0.0%	66,980	0.0%
03519 93.045 - Aging Meals 100%	38,758	0.0%	39,846	0.0%	41,183	0.0%
03523 93.566 - Refugee Soc. Serv	100,794	0.1%	100,794	0.0%	100,794	0.0%
03539 93.600 Headstart	112,704	0.1%	112,436	0.0%	112,441	0.0%
03543 6901-Foodstamp Outreach 10.561	650	0.0%	650	0.0%	650	0.0%
03544 10.561 - Fs E & T - 50%	217,002	0.1%	217,002	0.1%	217,002	0.1%
03545 10.561 - Fs E & T - 100%	275,044	0.1%	279,611	0.1%	283,270	0.1%
03546 10.561 - Fs Adm - Fed Exp 50%	1,153,951	0.6%	1,194,422	0.5%	1,205,705	0.5%
03547 10.568 - Emerg Food Assist 100	141,147	0.1%	150,939	0.1%	154,748	0.1%
03548 10.569 - Food Distr - Fed Exp	1,714,461	0.9%	1,759,009	0.8%	1,769,620	0.8%
03550 14.231 - Emerg Shelter - Hud 5	388,568	0.2%	403,000	0.2%	403,000	0.2%
03552 81.042 - Weather Ben 100%	2,522,625	1.3%	2,628,445	1.2%	2,634,661	1.1%
03571 93.566 - Off Ref Reset Adm 10	35,494	0.0%	35,494	0.0%	35,494	0.0%
03572 93.568 - Lieap Blk Grt Adm	11,765,182	5.9%	14,255,100	6.3%	14,269,640	6.1%
03573 93.569 - Csbq Adm	3,034,833	1.5%	3,036,836	1.3%	3,039,276	1.3%
03580 6901-93.778 - Med Adm 50%	175,239	0.1%	242,394	0.1%	250,339	0.1%
03669 Doe Region 8	91,534	0.0%	91,534	0.0%	91,534	0.0%
03677 6901-Cacfp 10.558 & 10.560	466,943	0.2%	536,461	0.2%	549,284	0.2%
03678 6901-Food Stamp Benefits	89,998,309	45.3%	101,808,718	44.7%	110,796,690	47.1%
03679 6901-Hopwa Cfda#14-241	422,348	0.2%	422,348	0.2%	422,348	0.2%
03965 Csfsp	355,666	0.2%	388,942	0.2%	392,934	0.2%
Grand Total	\$ 198,489,314	100.0%	\$ 227,884,295	100.0%	\$ 235,244,992	100.0%

The Human and Community Service Division (HCSD) is supported primarily by federal funds, which comprise 86 percent of the total funding. General fund provides 13 percent of the division's funding. General fund support is primarily used to achieve required TANF and child care MOE requirements and match federal programs such as Medicaid and food stamp eligibility determination, and child care benefits. State special revenue is comprised of the preservation and stabilization fund, I-149 funds, and the universal systems benefits fund on energy and weatherization.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2008-----					-----Fiscal 2009-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				3,159,373					3,238,409
Vacancy Savings				(878,142)					(881,331)
Inflation/Deflation				96,886					101,111
Fixed Costs				(130,068)					(129,861)
Total Statewide Present Law Adjustments				\$2,248,049					\$2,328,328
DP 6015 - State Motor Pool Rate Change									
0.00	(1,769)	0	(2,930)	(4,699)	0.00	(1,825)	0	(3,023)	(4,848)
DP 20005 - Intergovernmental Human Services Bureau PL Adj									
0.00	0	237,624	2,682,021	2,919,645	0.00	0	237,624	2,682,021	2,919,645
DP 20008 - HCSD Rental Increases for Adm. and County OPA's									
0.00	189,272	0	219,433	408,705	0.00	218,089	0	252,079	470,168
DP 20009 - Child & Adult Care Food Program Historical PL									
0.00	0	0	400,000	400,000	0.00	0	0	606,000	606,000
DP 20012 - Child Care Discretionary Present Law Adj									
0.00	0	0	2,006,171	2,006,171	0.00	0	0	2,006,171	2,006,171
DP 20016 - Child Care FPI, Market Rate, Caseload Increase									
0.00	1,741,650	0	0	1,741,650	0.00	2,428,000	0	0	2,428,000
DP 20019 - Food Stamp Benefits									
0.00	0	0	11,810,409	11,810,409	0.00	0	0	20,798,381	20,798,381
Total Other Present Law Adjustments									
0.00	\$1,929,153	\$237,624	\$17,115,104	\$19,281,881	0.00	\$2,644,264	\$237,624	\$26,341,629	\$29,223,517
Grand Total All Present Law Adjustments				\$21,529,930					\$31,551,845

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested by the Governor.

DP 20005 - Intergovernmental Human Services Bureau PL Adj - The legislature provides spending authority of \$5.4 million federal revenue over the biennium to accommodate an increase in federal grant funds and just under \$0.5 million for an increase in the state special revenue universal systems benefits fund, which comes from consumer charges on utility bills and is passed on to energy assistance and weatherization activities.

The increase includes authority for truck driver overtime of \$3,000 each year to cover delivery to senior centers and food banks in remote parts of the state, an increase in the average household benefits of approximately \$102 over the base, and for statewide Human Resource Development Council's (HRDC's) to provide: 1) low-income persons with energy assistance, weatherization, and emergency shelter; 2) housing assistance for persons with AIDS; 3) commodity food distribution; and 4) work on local solutions to problems of poverty.

DP 20008 - HCSD Rental Increases for Adm. and County OPA's - The legislature provided cost allocated spending authority of \$400,000 general fund and \$472,000 federal revenue associated with rent increases in the Offices of Public Assistance (OPA) and HCSD administration in non-Department of Administration for buildings.

DP 20009 - Child & Adult Care Food Program Historical PL - The legislature added \$1.0 million federal funds over the biennium for the Child and Adult Care Food Program (CACFP) to address the anticipated, historical increase of 2.4 percent in program reimbursement rates as set by the Department of Agriculture. CACFP is a federal USDA entitlement program to support nutritional services in care settings through regulation and reimbursement to adult and childcare organizations. The increased federal spending authority supports annual delivery of 7.7 million meals over the biennium to children in child care facilities.

DP 20012 - Child Care Discretionary Present Law Adj - The legislature appropriated a \$4 million TANF block grant transfer over the biennium to the discretionary fund of the Child Care Development Fund in support of affordable and accessible child care. The division testified that increased funding would support 175 working families and 300 children, serve 50 child care providers, and support over \$41,846 for quality educational programs throughout the state.

DP 20016 - Child Care FPI, Market Rate, Caseload Increase - The legislature added \$4.2 million general fund over the biennium for the Early Childhood Services Bureau to maintain child care reimbursement rates for parents at the 75th percentile of the annual market rate survey, to maintain eligibility for the Best Beginnings Child Care scholarship program at 150 percent of the current federal poverty level (FPL), and to support a 4 percent case load increase for low income working parents.

The following information was utilized as part of the legislative decision making process, and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification: Funding helps low-income families pay for child care while they work. As families earn more, they contribute more to the cost of care until eventually they are responsible for the entire cost. Although the upper limit of the sliding fee scale is set at 150 percent of FPL, 66 percent of the families receiving subsidies are at or below the poverty threshold. The Child Care and Development Fund mandates that low-income families have equal access to the same high quality child care as their more affluent contemporaries. The child care scholarship is often the primary benefit that allows these families to gain true economic self-sufficiency.

Goals:

- Maintain accessible child care reimbursement rates at the 75th percentile of the Market Rate
- Provide eligibility at 150 percent of poverty annually adjusting the program eligibility levels to the current FPL
- Maintain accessible, affordable child care and a child care scholarship program while avoiding a waiting list

Performance Criteria

- All families pay a co-payment to their child care provider, at an average of 3.5 percent of their income
- An estimated 5,570 unduplicated families will be in the work force each year because they receive child care
- An estimated 95 teen parents will be supported through scholarship assistance as they work to complete high school or achieve a GED

Tracking of the performance criteria occurs on many levels through DPHHS data management systems, and is extracted to prepare federal and state monitoring reports, reviewed by agency officials and federal agencies.

Milestones and Risks:

- Conduct a Market Rate Survey each June in light of the 75th percentile of the respective regional rates
- Examine the Federal Poverty Index in July of each year and make appropriate adjustments in the fee scale
- Update administrative rules each year to support these specific documents and conduct training
- Update and submit the CCDF state plan every two years
- Adjustments to the CCUBS automated system will occur in accord with new rates and eligibility during implementation in June and July

DP 20019 - Food Stamp Benefits - The legislature provided \$32.6 million of federal revenue authority for the biennium to fund the anticipated caseload and poverty level adjustments for food stamp benefits. The increased funding supports an additional annual average of 2,686 cases per month above the base caseload of 35,450 for FY 2008 and 4,769 cases per month for FY 2009. The measurements will be recorded monthly and included in quarterly or annual required reports.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2008-----				-----Fiscal 2009-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2009 Biennium Pay Plan - HB 13										
02	0.00	312,854	0	399,534	712,388	0.00	714,624	0	901,583	1,616,207
DP 6014 - Retirement Employer Contributions – HB 63 & HB 131										
02	0.00	10,737	65	12,136	22,938	0.00	11,378	68	12,455	23,901
DP 20001 - Energy Assistance/Conservation (Biennial/OTO)										
02	0.00	0	0	1,600,000	1,600,000	0.00	0	0	0	0
DP 20002 - Tri-state Housing Grant for People with AIDS (Biennial)										
02	0.00	0	0	966,000	966,000	0.00	0	0	0	0
DP 20004 - Homeless Management Information Syst (HMIS) Grant										
02	0.00	0	0	66,980	66,980	0.00	0	0	66,980	66,980
DP 20006 - Childcare / Working Caretaker Relative (Rstr/OTO)										
02	0.00	0	0	683,784	683,784	0.00	0	0	683,784	683,784
DP 20011 - Ombudsman - Warm Hearts/Homes - (Restricted/ OTO)										
02	0.00	300,000	0	0	300,000	0.00	300,000	0	0	300,000
DP 20020 - TANF Cash Benefit Increase										
02	0.00	0	0	1,377,791	1,377,791	0.00	0	0	1,377,791	1,377,791
DP 20023 - Restructuring Blackfeet Tribal Plan										
02	0.00	0	0	1,135,170	1,135,170	0.00	0	0	1,135,170	1,135,170
DP 20907 - Child Care Funding Swap for PSF										
02	0.00	(99,983)	99,983	0	0	0.00	(104,543)	104,543	0	0
DP 20908 - Low-Income Energy Assist. Prgm (Biennial/OTO)										
02	0.00	1,000,000	0	0	1,000,000	0.00	0	0	0	0
DP 20909 - Funding the Base for IHSB Admin. Correctly										
02	0.00	0	0	0	0	0.00	19,663	0	(19,663)	0
Total	0.00	\$1,523,608	\$100,048	\$6,241,395	\$7,865,051	0.00	\$941,122	\$104,611	\$4,158,100	\$5,203,833

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan in HB 13 of the regular session that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in FY 2008 and an additional \$36 per month in FY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB63 & HB 131 - The legislature adopted HB63 and HB131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

DP 20001 - Energy Assistance/Conservation (Biennial/OTO) - The legislature approved a one-time-only, biennial appropriation of \$1.6 million to use the energy conservation and energy assistance federal special revenue accounts for low-income energy assistance or low-income weatherization. This appropriation was contingent upon passage and approval of HB 41, which changed 90-4-215, MCA to allow the funds to be spent immediately upon signing. HB 41 was signed by the governor.

The 1987 Legislature (HB 621) established the federal special revenue account to accept the energy conservation and energy assistance funds when the department received cash distributions. However, the enabling legislation contained a clause restricting the use of the principal in the funds to a time when either weatherization or energy assistance grants fall below the 1987 funding levels of \$11,035,480. The funds have not been used because both the DOE and LIEAP grants have been larger than in 1987.

DP 20002 - Tri-state Housing Grant for People with AIDS (Bien.) - The legislature appropriated \$966,000 federal funds for the Housing Opportunities for Persons with AIDS (HOPWA) Tri State HELP (Housing Environments for Living Positively) Plus Grant received from U.S. Department of Housing and Urban Development (HUD). This grant is the second HOPWA grant received by DPHHS.

DP 20004 - Homeless Management Information Syst (HMIS) Grant - The legislature added \$66,980 of federal authority per year for the Homeless Management Information System (HMIS) grant originally received in June of 2004 from HUD. The initial grant was to help the state meet a federal mandate requiring recipients of federal McKinney-Vento Homeless Assistance Act funding to use an information system for data collection. Agencies required to use the system include the Human Resource Development Councils (HRDC's) and some emergency shelter facilities under their direction. The federal goal is to have all statewide providers of homeless services use the HMIS system for tracking and reporting. All permanent supportive housing facilities are required to use the HMIS system, and other agencies are encouraged to use it. Data from the system would be used to provide reports to HUD and the state.

DP 20006 - Childcare / Working Caretaker Relative (Rstr/OTO) - The legislature added a \$1.4 million restricted, one-time-only appropriation in federal TANF funding authority for the 2009 biennium to provide child care for working caretaker relatives of children eligible for the TANF child-only grant.

The appropriation addresses the use of TANF block grant funds in the context of regulations governing the Child Care Development Fund, which require use of the income of the grandparent/caretaker when determining eligibility for child care assistance, thereby eliminating assistance to many low-income, working grandparents that are most in need of daycare services for their grandchildren.

The following information was utilized as part of the legislative decision making process, and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification: There are approximately 130-150 child-only cases fitting this situation. Of these, it is estimated that 56 families have grandparents/caretakers working and in need of child care assistance. The cost of child care would be \$25 per day for infants and \$22 per day for children aged 2 and above. If these 56 families have 2 children in each family, one infant and one older child, the approximate cost of serving these families would be \$56,982 per month based upon 4.33 weeks in a month.

Goals: 1) To stabilize the lives of children who are unable to be cared for by their parents, and to prevent these children from entering the child welfare system; and 2) to provide TANF-funded child care to approximately 56-60 working caretaker relatives and allow them to continue employment while caring for these children.

Performance Criteria: The Public Assistance Bureau, in conjunction with the Early Childhood Services Bureau, will structure the eligibility requirements and payment mechanism for approving childcare for TANF-eligible children with employed caretaker relatives and provide information to those potentially eligible. This proposal may decrease the number of grandparents requesting to be licensed as foster homes although it may be difficult to measure whether or not this service is the sole reason for that decrease. Specifically, the outcomes measured would be whether or not the policy and structure is in place, number of employed caretaker relative families using the childcare services, and benefits to the family experienced through the availability of the childcare services.

Milestones: May-June 2007 – Policy and procedures developed for working caretaker relative childcare program
June 2007 – Notification of potentially eligible working caretaker relatives
July 2007 – Working caretaker relative childcare program begins
Monthly – Monitor number of working relative caretakers with childcare benefits
Quarterly – Monitor number of foster care licensing and placements for grandparents
January 2008 – Survey working caretaker relative childcare users

DP 20011 - Ombudsman - Warm Hearts/Homes - (Restricted/ OTO) - The legislature added a one-time-only, restricted general fund appropriation of \$600,000 over the biennium for the Energy Ombudsman program, which was initiated by the 2005 Legislature. Funding allows human resource development councils (HRDC's) to aid people needing emergency energy assistance, and help with installation and low-cost/no-cost weatherization materials for the Warm Hearts/Warm Homes program.

The following information was utilized as part of the legislative decision making process, and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification: The division used the 2005 legislative appropriation by dividing funds evenly among the state's HRDCs to: 1) encourage participation in LIEAP, Energy Share, USB, and other emergency energy assistance programs; 2) move low-income households toward energy self-sufficiency; 3) address energy related emergencies; and 4) augment the Warm Hearts in Warm Homes Program that focused on low cost energy conservation measures to needy LIEAP households that would not receive full-fledged weatherization. While 605 homes were assisted, the majority of recipient households indicated a need for Energy Ombudsman services. Future Energy Ombudsman activities would expand the pool of trained volunteers involved in installing energy conservation measures, providing outreach to un-served households. General Fund is requested because federal funding for LIEAP and weatherization assistance is insufficient to provide the proposed case management and referral services.

Other Warm Hearts in Warm Homes services include energy education, Montana property and income tax credit information, reverse annuity mortgage information, energy assistance, federal earned income tax credit information, budget counseling, furnace safety inspections; and referral to other energy, aging, nutritional, housing, child care, health care, educational, and emergency service programs.

Goals and Performance Criteria: The goal is to continue the work started with the 2005 appropriation by: 1) Providing case management and referral services to at least 500 low-income households; 2) supporting Montana Conservation Corp (MCC) efforts to install low-cost energy conservation measures in 1,843 low-income homes per year; 3) expanding the pool of Warm Hearts in Warm Homes volunteer installers to a level sufficient to provide a minimum of 200 additional low-income households low-cost energy conservation measures; 4) providing volunteer installers sufficient to expand the number of homes served by 5 percent annually. The performance criteria of the program would be monitored and measured by tracking referrals, households served, services provided to households served, and expenditures. This information would be tracked using quarterly reports from subcontractors, data from the LIEAP computer system, and the contracts management subsystem.

Milestones: Key activities shall be completed as follows:

- Recruiting and training Conservation Corp and other volunteers (July-August)
- Provision of outreach services (September – June)
- Provision of case management and referral services (September – June)

Risk: If the proposal is not adopted, LIEAP households will not receive the services outlined above.

DP 20020 - TANF Cash Benefit Increase - The legislature provided \$2.8 million of federal authority for the biennium to increase TANF cash benefits. The increase will raise the cash benefit standard from 33 percent of the 2005 federal poverty level (\$442 for a family of three) to 33 percent of the estimated 2007 federal poverty level (\$472 for a family of three).

DP 20023 - Restructuring Blackfeet Tribal Plan - The legislature provided \$2.3 million federal authority for the 2009 biennium to support the restructuring of the Blackfeet Tribal TANF plan as negotiated with the federal government. The plan re-defines the population to be served by the Blackfeet Tribe as those "eligible families that include all enrolled Blackfeet members in the assistance unit". The population not served by the Tribal plan would be served by the state TANF program. The estimated caseload increase to the state is 293 and the estimated annual cost to the TANF block grant is \$1.5 million based upon an estimated benefit level of \$430 per month as calculated at 33 percent of the 2007 federal poverty level.

The state could also contract with the Blackfeet tribe for the WoRC contract. Of the 293 new cases, it is estimated that 196 cases would participate in work activities at an estimated annual cost for 196 families of about \$450,800. Under the modified plan the Blackfeet would not retain the associated general fund/MOE. The department retains \$0.8 million general fund in the base, resulting in an appropriation of \$1.1 million each year rather than the total \$1.9 million.

DP 20907 - Child Care Funding Swap for PSF - The legislature included a decrease to the general fund of \$99,983 in FY 2008 and \$104,583 FY 2009 with a like increase in the state special revenue prevention and stabilization fund (PSF). The funding switch maintains the total authority of \$1,033,312 for child care for each year of the biennium. The prevention and stabilization fund receives revenue from the utilization fee on resident bed days at institutions. It is estimated that there will be enough state special revenue from the fees to reduce general fund.

DP 20908 - Low-Income Energy Assist. Prgm (Biennial/OTO) - The legislature added biennial, one-time-only authority for \$1 million general fund for low-income energy assistance benefits throughout the state including all Tribal Reservations.

According to federal law, a portion of the state allocation for LIEAP assistance must be set aside for use by Tribes. Montana negotiated a ratio of 17.4806 for the Tribal allocation, which is 300 percent higher than the federal requirement. Using this rate, Tribes would receive \$174,806 of the appropriation and the state would receive \$825,194. The annual increased benefit would be \$73 per household.

DP 20909 - Funding the Base for IHSB Admin. Correctly - The legislature included a \$19,663 base budget correction for the FY 2009 Intergovernmental Human Services Bureau, which moved funds that were inadvertently included in the division's federal fund into the general fund to ensure the proper state match of the Emergency Food Assistance and Aging Food Services grants serving the Low Income Energy Assistance Program. Without the general fund match the federal funds attached to these grants cannot be spent.

Language

The legislature approved the following language for inclusion in HB 2.

The Governor vetoed some of the language. Vetoed language is shown in *italic*.

"Funding for Child Care for Working Caretaker Relatives may be expended only by the human and community services division for child care assistance for working grandparents or caretaker relatives providing care for children in place of their parents.

Funding for the Work Training Program includes \$504,436 of TANF block grant funds each year of the biennium. Funds may be expended only by TANF work contractors to support additional employment and training activities, including antipoverty efforts that enhance the work capacity of TANF recipients.

Included in Human and Community Services Division/Reporting is \$200 in general fund money each year for a semiannual report to the legislative finance committee and the children, families, health, and human services interim committee for the following:

- (1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and*
- (2) attainment of measurable objectives as outlined in the division final template presented to the joint appropriations subcommittee on health and human services.*

If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, The fiscal year 2009 general fund appropriation is reduced by \$200.

Ombudsman Funding-Warm Hearts/Warm Homes may be expended only for activities related to the ombudsman function."